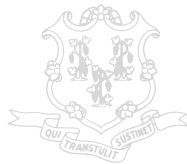


OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 11-163—SB 314**

*Insurance and Real Estate Committee*

*Judiciary Committee*

**AN ACT CONCERNING MENTAL OR NERVOUS CONDITIONS  
UNDER THE CONNECTICUT UNFAIR INSURANCE PRACTICES ACT**

**SUMMARY:** This act adds to the list of unfair or deceptive insurance acts or practices, the (1) refusal to insure or continue to insure; (2) limitation of the amount, extent, or kind of coverage available to; or (3) charging of a different rate for the same coverage to, an individual diagnosed with a mental or nervous condition. The law already prohibits such acts or practices for individuals with a physical disability or mental retardation.

The law allows such a refusal, limitation, or rate differential if it is (1) based on sound actuarial principles or (2) related to actual or reasonably anticipated experience.

The act defines “mental or nervous conditions” as mental disorders as it is used in the American Psychiatric Association’s most recent *Diagnostic and Statistical Manual of Mental Disorders* (DSM-IV-TR fourth edition, text revision). It specifically excludes (1) mental retardation; (2) learning, motor skills, communication, and caffeine-related disorders; (3) relational problems; and (4) additional conditions not otherwise defined as mental disorders in the DSM-IV-TR.

EFFECTIVE DATE: October 1, 2011

**BACKGROUND**

*Connecticut Unfair Insurance Practice Act (CUIPA)*

CUIPA prohibits engaging in unfair or deceptive insurance acts or practices. It authorizes the insurance commissioner to issue regulations, conduct investigations and hearings, issue cease and desist orders, ask the attorney general to seek injunctive relief in superior court, impose fines, revoke or suspend licenses, and order restitution.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or instead of a license suspension or revocation, for violating a cease and desist order.

OLR Tracking: ND:KS:PF:ts